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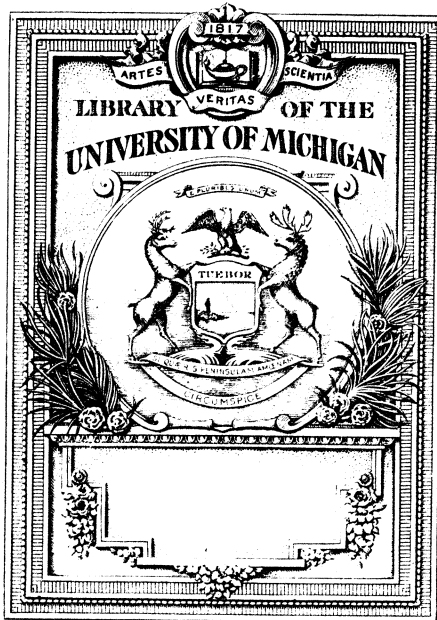
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Nat. city Co. Cuba & the Cuba R.R.



Gaylord Bros.
Makers
Syracuse, N. Y.
PAT. JAN 21, 1908.

CUBA
AND THE
CUBA RAILROAD

The National City Company
National City Bank Building
New York

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CUBA
AND THE
CUBA RAILROAD



The National City Company
New York
1919

L. C. Card No. A 19-847

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but it is based on an intimate study of official reports
and statistics which we consider reliable.

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C u b a R a i l r o a d

Cuba Through the enterprise of The Cuba Company and of its subsidiary, the Cuba Railroad Company, the economic development of Cuba has received a notable stimulus since 1900, and the story of the growth of these two companies affords a striking example of the many rich opportunities which exist today in Cuba for profitable investment. Prior to the opening of the twentieth century, capital had not looked over-enthusiastically upon Cuba as a field for investment, because the Island was in a state of continuous ferment. For more than half a century, it will be remembered, discontent and unrest in Cuba had been increasing, and the agitation against Spanish rule had steadily grown. During the three years preceding American intervention a guerilla warfare of no small proportions had been continuously waged. In such a situation there was little to attract new capital for the Island's development, which consequently languished, so that it is not too much to say that Cuba would today be much further advanced in every way had peaceful conditions existed in the years before 1900.

The truth of this statement is evidenced by the eagerness with which capital began to pour into Cuba as soon as stable conditions were assured upon the Island. It was not many months after the treaty of

peace was signed between the United States and Spain that The Cuba Company was incorporated by Sir William C. Van Horne and his American and Canadian associates. Van Horne, born in Illinois of Dutch extraction, had gained fame through his long association with the Canadian Pacific Railway. He had been in large measure responsible for the successful completion of this system, and in turn as General Manager, President and Chairman of the Board, had been instrumental in directing its policies in the first and most difficult years of its operation. Since 1885 he had been identified with every branch of the commercial and financial life of the Dominion, and such was his reputation that where he led, others were perfectly willing to follow. The creation of The Cuba Company was the work of Van Horne, while his ability as an administrator, devoted to its service until his death in 1916, has brought success to its many enterprises and has placed their operations upon an enduring foundation.

***After the
Spanish War***

At the close of the Spanish-American War, the development of Cuba was limited almost entirely to the western portion of the Island. The railways extended eastward only as far as Santa Clara, 183 miles from Havana. Beyond Santa Clara lay about 73% of the total area of the Island, almost destitute of railways. In this section commerce was possible only by water, and as the rivers of Cuba, though many, are largely unnavigable, the tendency was for settlement to confine itself to the narrow coastal strip. All along the shores of the Island, both north and south, little towns had grown up on the sheltered harbors, with small areas of cultivated lands adjoining. Some of these

settlements were large and commercially important, while almost every one, with the better means of communication which a railroad would afford, was capable of great expansion. The interior, on the other hand, was unsettled and undeveloped. With the exception of the populated areas surrounding the cities of Sancti Spiritus, Camagüey and Holguin, which were connected with one coast or the other by short lines of railway, the country was unused save for occasional herds of cattle, although the land was of extraordinary fertility and well adapted to everything which can be grown in a sub-tropical climate. All over this portion of the Island, and especially in the eastern end, there were large forests of mahogany, cedar, lignum-vitæ and other valuable woods, and also great unworked deposits of iron, copper, asphaltum and other minerals. With the immense potentialities indicated by its unsettled plains, virgin forests and untouched mineral wealth, the great interior plateau, elevated some hundreds of feet above sea-level, awaited only adequate transportation facilities in order to be quickly settled and to have its natural riches intelligently developed.

***The Cuba
Company***

It was for this purpose that The Cuba Company was incorporated in New Jersey on April 25, 1900. Its charter gave it broad powers: it was authorized to operate railroads and electric railways, and to undertake other enterprises of a similar nature. A survey was begun immediately for a railroad extending along the center of the Island from Santa Clara towards Santiago, the second largest port in the country, but which had hitherto been entirely cut off from communication with Havana except by sea. The next step

was the purchase of the Sabanilla and Moroto Railroad, an old road of about 30 miles which afforded the only entrance into Santiago through a narrow mountain pass. The work of constructing the main line from Santa Clara to a connection with this road was begun in November, 1900, and the rails were joined in November, 1902, forming, in conjunction with the United Railways of Havana west of Santa Clara, a through route between Santiago and Havana, over which through sleeping cars of the Pullman type are now operated in daily service.

The Cuba Railroad Company On May 1, 1902, the Cuba Railroad Company had been incorporated in New Jersey, its entire common stock being owned by The Cuba Company. The railroad was sold to this subsidiary, subject to an agreement that the parent company should finish certain construction work, and since the close of the calendar year 1904 the Cuba Railroad Company has operated the property.

The Cuba Railroad The Cuba Railroad was built with an eye to the future, and to the demands which traffic would make upon it in years to come. The main line was placed along the center of the Island, without regard to the absence of population, but in the expectation that the lack would quickly be remedied as soon as adequate transportation facilities had been provided. This belief, this firm faith in the future of Cuba, has since received telling justification. The location of the road was carefully planned so as to take the fullest advantage

of the company's position as a pioneer in the development of the railroad facilities of that part of the Island. The main line divides the country almost equally into two parts, and, by following the watershed, heads the streams making towards the sea upon either side. This was a carefully thought out plan, because these streams deepen and widen rapidly in their descent towards the sea, and therefore interpose serious obstacles in the way of would-be competitors, while at the same time the Cuba Railroad is afforded easy access by means of branch lines to the settlements along the coast. It can readily be seen, too, that by reducing to a minimum the size and cost of bridges upon the railroad, as well as their number, the selection of this route lowered construction costs, never small in Cuba, quite materially.

Its Substantial Construction It is rarely that a pioneer railroad in a newly developing country is built with the solidity of construction which characterizes the Cuba Railroad. A new road can be expected to earn only a small amount of money, and as a general rule construction costs are kept down to a point at which the line can be expected to give a fair return upon the capital invested. Temporary structures, light rails and little ballast are the rule upon such railroads, and the contrary is the rare exception. The Cuba Railroad followed the example of the Canadian Pacific Railway, which in its turn had undoubtedly been influenced years before by James J. Hill and by the ideas which he afterwards incorporated in his own Great Northern Railway. Mr. Hill, as anyone will understand who has studied the Great Northern, was an advocate of good, solid, permanent construction, which

could be expected to endure for many years, and the same characteristics which have made the Great Northern a marvel of efficient operation are to be found, modified, of course, to suit altered conditions, upon the Cuba Railroad. It is a line of easy grades, of few and light curves, and in normal times is capable of being operated at an unusually low cost. Its bridges are largely of steel or masonry construction. It is ballasted throughout with rock or with other suitable materials, and has excellent up-to-date shops and other facilities. The greater part of the road is laid with seventy-five pound rail, which is ample for the traffic carried. The pine ties which necessarily had to be used in the original construction of the main line have been almost entirely discarded in favor of the native hardwoods, which have a fair life of over thirty years, and which were made available in sufficient quantities as soon as construction was pushed into the virgin forests in the eastern end of the Island. The enduring nature of the road's construction makes for low renewal costs, which is a further important factor in reducing operating expenses.

***Its Influence
On Cuba's
Development***

The building of the Cuba Railroad has brought about important changes in the economic life of Cuba, and especially is this true of the provinces of Santa Clara, Camagüey and Oriente, which the railroad serves. The interior of these provinces, which less than twenty years ago was virtually uninhabited and undeveloped, has today a large and growing population, and the commercial importance of this section is steadily increasing. At the present time fully one-half of the population of Cuba dwells within

the confines of these three provinces, and all along the main line of the railroad thriving towns and busy industries have sprung up in remarkable fashion.

The sphere of influence of the railroad has gradually been extended through the medium of branches, which push out from the main line into the tributary territory on either side. By this means, on June 30, 1918, the mileage operated had risen to 655 miles, an increase of 247 miles since the Cuba Railroad Company first took over the operation of the property fourteen years before. Unlike the United States, Cuba is not a land of magnificent distances, and as a consequence these branches with one exception—the Bayamo branch—are comparatively short. The Bayamo branch, which serves the most fertile agricultural district in the whole Island, is 141 miles long.

What the branches lack in distance, however, they more than make up in importance. They have only to reach into one of the developed coastal settlements in order to be assured profitable business from the very beginning, and they have gradually opened up almost the entire eastern half of the Island to habitation. Today cleared lands, new cultivation and herds of cattle are to be seen everywhere. The growing of sugar cane, which is the chief reliance of this sub-tropical land, has been developed on a huge scale; The Cuba Company itself has many plantations, of which the two largest have under cultivation a combined area of over 24,000 acres, while the number of independent plantations, large and small, is legion. Tobacco, coffee, cotton, fruits and vegetables are being grown in large and increasing volume. Cattle raising in Santa Clara and Camagüey provinces is a profitable industry, absorbing large amounts of capital, while the dense forests of eastern Camagüey and Oriente have

been brought within range of commercial exploitation. The iron ores of eastern Oriente, reputed to be more easily mined than our own Lake Superior ores, are being developed upon a bigger scale than ever. The Spanish-American Iron Company alone has deposits at Felton which are estimated to contain three thousand million tons of ore, the first ship-load of which was moved in the year 1906, and at Daiquiri, near Santiago, the deposits of iron ore are reputed to be the largest in the world.

***Expansion of
The Cuba
Company***

When the Cuba Railroad Company took over the operation of the line from the parent company, it must not be surmised that the latter found itself with occupation gone, and with nothing further to do. Rather did its real activities wait upon the completion of the railroad, upon which, like any other colonist, The Cuba Company was dependent. For in earlier years, it had acquired large tracts of land, located for the most part upon the lines of the Cuba Railroad, and some of these lands have been developed as townsites, while others have been sold to settlers or developed as sugar plantations by the company itself. Thus at Jatibonico there is a large plantation covering 9,114 acres, and at Jobabo one of 15,550 acres. In connection with each of these, sugar mills have been constructed, each with a capacity of 300,000 bags of sugar. At Van Horne a new plantation has recently been developed, and there are several smaller ones in addition. As of February 1, 1918, the sugar mills, plantations and townsites of The Cuba Company were transferred to another subsidiary, the Compañia Cubana, a Cuban corporation. The Cuba

Company has retained only 102,000 acres of undeveloped lands and the Van Horne plantation.

The Port of Antilla

By far the most important of the many tasks which The Cuba Company has undertaken is the development of Antilla, upon Nipe Bay. Nipe Bay, on the northern shore, is one of the best harbors in the Island—a land-locked bay with an area of 150 square miles, around which today is going on the most tremendous development in all Cuba. Upon its lands at Antilla, The Cuba Company has laid out a town of steadily increasing importance. Here also the Railroad Company has developed a great port with large warehouses for the storage of sugar, and huge molasses tanks with a capacity of 3,000,000 gallons. At Saetia is the largest fruit plantation in the Island, whose products go to market in chartered fleets. At Preston the United Fruit Company operates one of the largest sugar mills in Cuba, and at Banes, a few miles distant, another large one is owned by the same company. Nearby, too, is Felton, where the Spanish-American Iron Company's development is established. To such an extent has Antilla grown that it is now the third largest port in Cuba, with steamer connections to New York and other points, and the line of the Cuba Railroad which serves it—the first branch line constructed on the road—is steadily growing in importance.

The Port of Nuevitas

So congested within recent years have the lines of the Cuba Railroad Company become that this subsidiary has decided to develop another port. For this purpose the Camagüey and Nuevitas Railroad was purchased

in 1915, reaching from Camagüey, on the main line of the Cuba Railroad, to Nuevitas, which is upon a harbor equally as good as Nipe Bay. The advantage of this port to the Railroad Company lies in the fact that it is at the center of the system, which will operate to relieve congestion elsewhere. Here, too, extensive development work is going on; the old line has been extended as far as Pastelillo, where a new deep water terminal of large capacity has been constructed. Four large sugar warehouses have been built and tanks provided for the storage of 3,000,000 gallons of molasses. Some time in the future it is planned to operate a ferry between Nuevitas and Miami, Fla., where connection will be made with the Florida East Coast Ry. The Camagüey and Nuevitas Railroad at the present time is being independently operated, and, aside from its strategic importance to the Railroad Company, is an asset of large earning power.

The Cuba Railroad has been the energizing force which has made possible the tremendous commercial expansion indicated in briefest outline above, and naturally this development has reacted to the Railroad's benefit. Few people, however, will be prepared for the statement that the Cuba Railroad has developed more rapidly during the last fourteen years than any other road of importance in this hemisphere, or, one might safely say, in all the world. In this connection some statistics of the company's operation will be of interest.

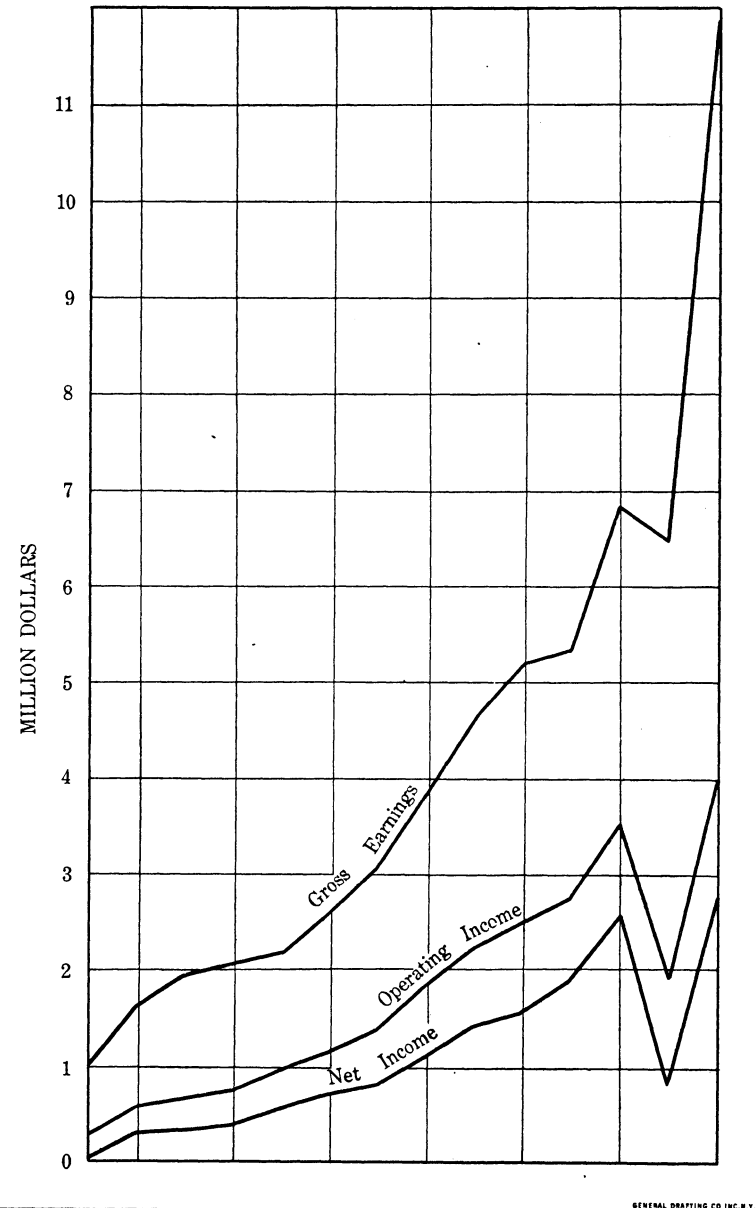
Earnings

Upon the following page, for example, are shown in graphic form the major changes in the company's income account during the period from 1905 to June 30, 1918. (The company's business year ends on June 30). Reference

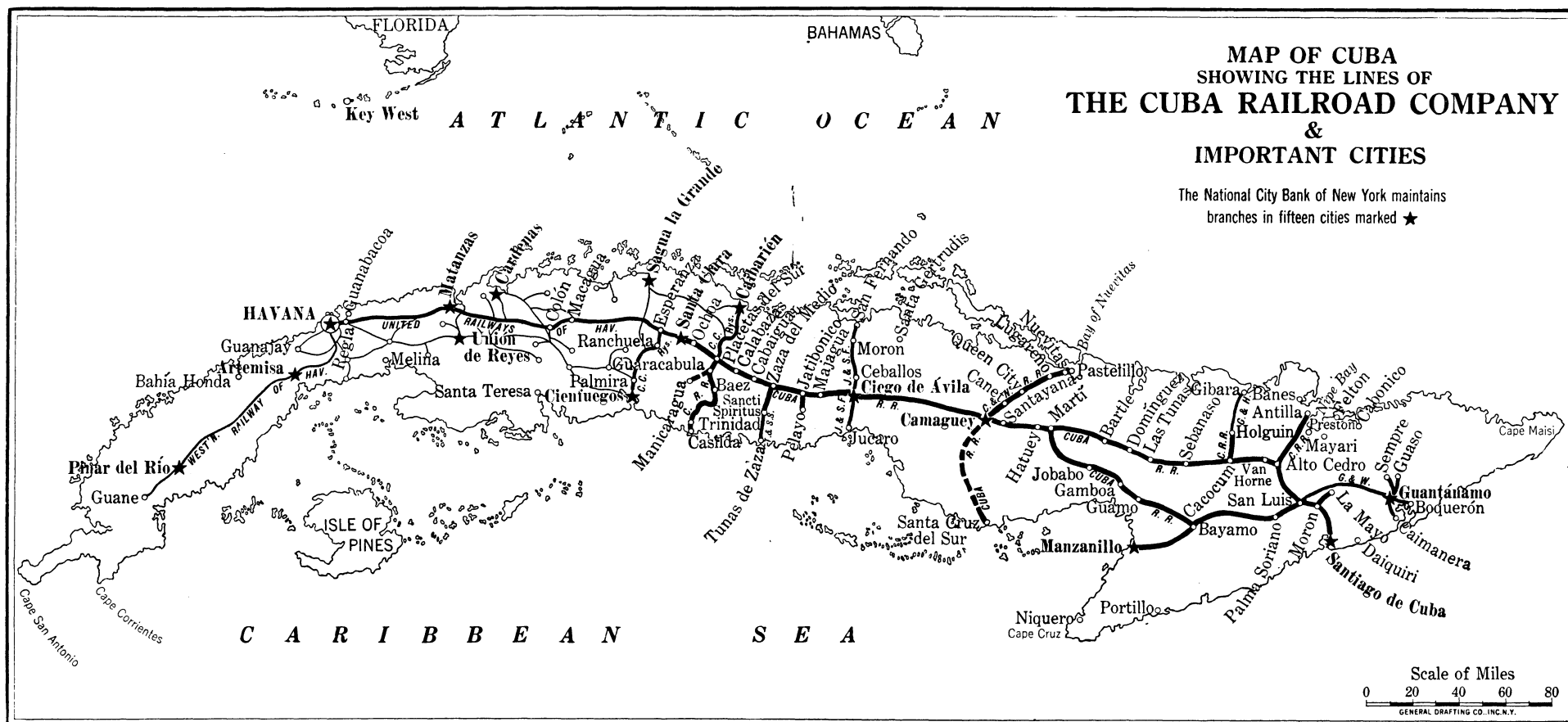
CUBA RAILROAD INCOME ACCOUNT

YEARS ENDED JUNE 30

1905 1906 1908 1910 1912 1914 1916 1918



GENERAL DRAFTING CO. INC. N.Y.



to the graph will indicate that in but one year since 1905 have earnings failed to show a gain over the year preceding. In 1917, when gross earnings showed a large decline from the 1916 amount, the local political troubles of the Island, which centered in Cuba Railroad territory, were responsible for the poor showing, but with the United States taking a more active interest in the political affairs of Cuba, it would seem that there is no probability of a recurrence of such disturb-

ances. Together with the high costs of materials and labor during 1917 and 1918, these disturbances also reflect themselves in a disproportionate increase in operating expenses during these two years. As a result of its accumulation of troubles, 1917 shows up as the poorest year which the company has experienced for a long time. Indeed, it would not be incorrect to say that 1917 was the only poor year which the company has had in the course of its operation.

The fiscal year 1905 was the first during which the Railroad Company worked the property in its own behalf, and the year's operations brought in gross earnings of \$1,029,258. In 1906, earnings amounted to \$1,600,000; in 1911 to \$3,000,000. By 1915 they had risen to \$5,200,000, and to \$11,645,098 in 1918. Reducing these figures to percentages, this remarkable railroad has shown an increase in gross of 1031% during these fourteen years, which bears out the statement that it has probably enjoyed a more intensive growth than any other road in the world.

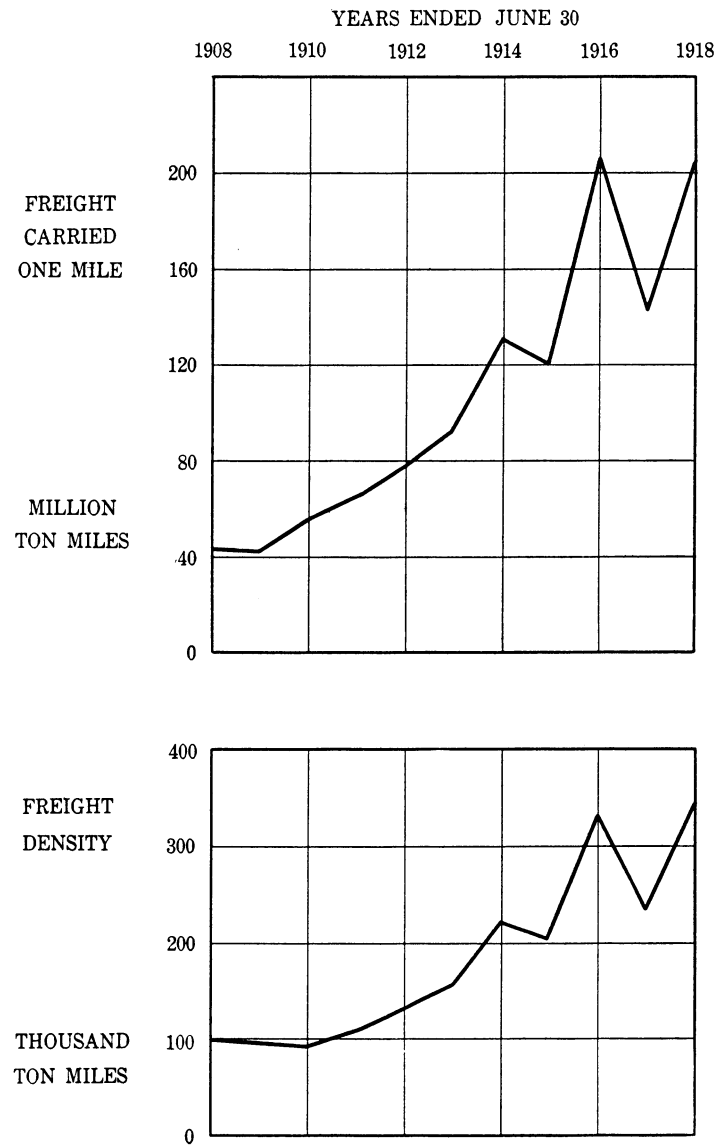
Operating expenses and taxes, represented on the graph by the difference between gross earnings and operating income, have not increased as rapidly as earnings, in spite of their sudden expansion during recent years. The graph shows that in 1905 operating expenses and taxes consumed \$733,635, or 71.28% of earnings; in 1918, these charges amounted to \$7,784,854, or only 66.8% of earnings. Thus, while revenues record an increase of 1031%, expenses lagged behind with a growth of only 961%, so that operating income, which was \$295,623 in 1905, was able to show an increase of 1206% during these fourteen years, amounting in 1918 to \$3,860,243. Incidentally the amount available for interest charges in 1918 was 13.32 times the amount available in 1905.

During the years 1909 to 1916 inclusive, which might fairly be termed normal, operating expenses never consumed more than 57% of earnings, and in 1915 the proportion reached the extremely low figure of 47.61%. Had more normal conditions prevailed during later years, there would undoubtedly have been a much larger increase in operating income than was actually the case.

It is worthy of emphasis that these tremendous increases in earnings have been accompanied with only a slight growth, comparatively speaking, in interest charges, which rose from \$258,175 in 1905 to \$1,311,487 in 1918. This is an increase of only 408%, and attracts attention because it clearly demonstrates the profitable use to which invested capital can be devoted upon the Cuba Railroad. The net income available for dividends, which in 1905 was \$37,448, grew to \$2,625,591 in 1918, registering an increase during the period of 6911%—almost seven thousand per cent. This result—the translation of an increase of 1031% in revenues into a gain almost seven times as large proportionately in the amount available for stockholders—is one which needs no elaboration; it speaks for itself.

Expansion of Freight Traffic The graphs which are reproduced on the next page depict the growth of the road's freight business and of its freight traffic density, the latter serving as an excellent illustration of the development of the territory which supplies that traffic. The fiscal year 1908 is the first for which these operating statistics are available, in which year the road carried a total of 44,080,599 ton-mile units of revenue freight. This represents an average for each mile of road—a traffic density—of 99,956 units. By 1918 the annual revenue freight business had risen to 221,204,446 ton-mile units, representing an increase of 402% since 1908, while on an average each mile of road in operation in 1918 was yielding 337,411 units of freight, showing an increase in the traffic density of 238%.

CUBA RAILROAD FREIGHT TRAFFIC



GENERAL DRAFTING CO. INC. N.Y.

***Increase in
Equipment***

A clearer comprehension of what the above figures mean may be gained by reading them in conjunction with the graph upon the following page, which shows the steady increase in the equipment necessary to handle the growing business of the system. For the sake of more accurate comparison the figures have been distributed over each 100 miles of line in operation at the close of each fiscal year. In 1908, it will be noticed, 275 freight cars per 100 miles of line were sufficient to take care of the tonnage offered for shipment. In 1913, 344 cars were required, and by 1917 the number had grown to 788. In the following year 36 miles of new branches were placed in operation, and as a consequence, despite an actual increase of 133 in the number of freight cars owned, the proportion per 100 miles of line fell during 1918 to 765 cars. However, from 1908 to 1918 inclusive, the net increase for each 100 miles of line was 490 cars, or 178%, while the total number of cars owned rose from 1216 to 5013.

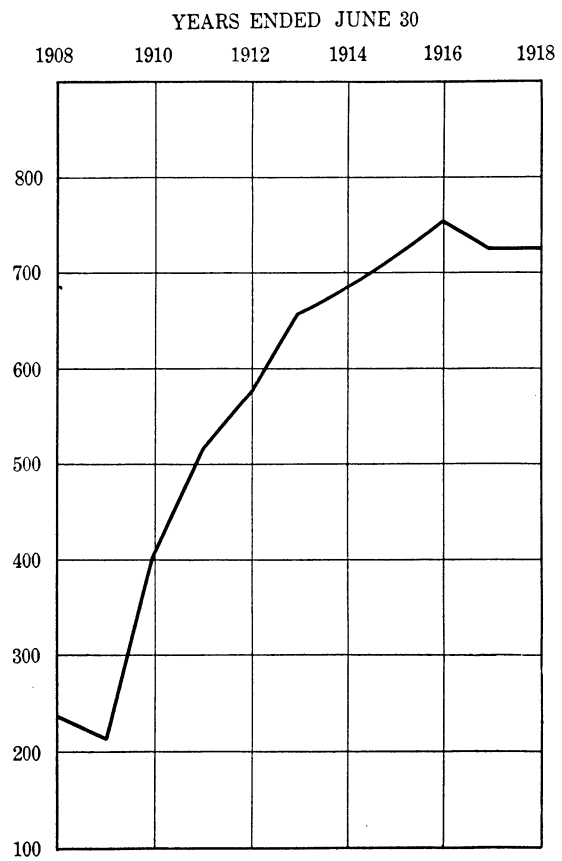
***Growth of
Passenger
Traffic***

Passenger traffic is an important source of income, providing in the fiscal year 1918 approximately 30% of the gross earnings. The graphs on page 22, which portray the development of the road's passenger traffic, are consequently of interest. In 1908 the total passenger movement over the system amounted to 29,970,722 passenger-mile units, and the density of this class of traffic was 67,999 units per mile operated. In 1918 the passenger traffic was 93,140,239 units, an increase of 210%, while the density was 142,200 units, recording an increase of 209%. During

CUBA RAILROAD

GROWTH OF FREIGHT EQUIPMENT

NUMBER OF FREIGHT CARS
PER HUNDRED MILES



CENTRAL DRAFTING CO. INC. N. Y.

the same period the passenger cars per 100 miles of line increased from 13 to 20, or 54%, and the number of locomotives of all kinds, from 11 to 24, an 118% increase. The actual number of passenger cars owned in 1908 was 56. In 1918 it was 132. In 1908 the road had 47 locomotives and in 1918 156.

Capitalization On June 30, 1918, the capitalization of the Cuba Railroad Company stood as follows:

Common Stock.....	\$15,800,000
Preferred Stock (6% non-cumulative)...	10,000,000
First Mortgage 5s, 1952.....	12,030,000
Improvement and Equipment 5s, 1960...	4,000,000
*Gold Notes.....	3,000,000
Equipment Certificates.....	3,158,000
Notes Payable.....	600,000
Total	\$48,588,000

*Secured by pledge of capital stock of Camagüey & Nuevitas R. R. Co.

The amount of first mortgage bonds outstanding has since been increased by \$1,140,000, but there has been a reduction of \$1,000,000 in the gold notes and of \$416,000 in the outstanding equipment certificates, and the \$600,000 of notes payable have since been retired, making a net reduction in capitalization of \$876,000.

It has been previously pointed out that between 1905 and 1918 earnings available for interest and dividends increased 1232%; a noteworthy feature about the great development in business which this implies is that it was accompanied by an expansion of only 126% in the capitalization. From this it is evident that the new capital has applied a remarkable stimulus to the company's natural growth.

CUBA RAILROAD

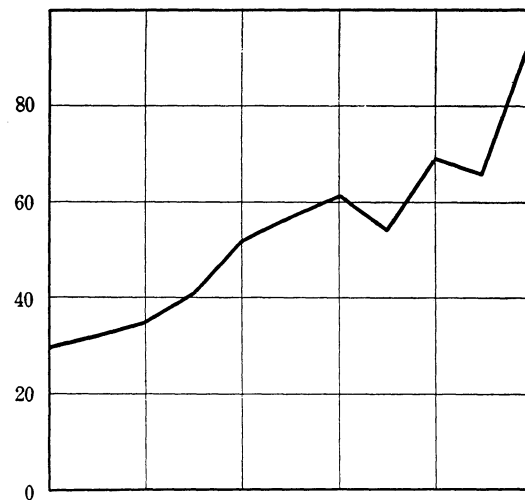
PASSENGER TRAFFIC

YEARS ENDED JUNE 30

1908 1910 1912 1914 1916 1918

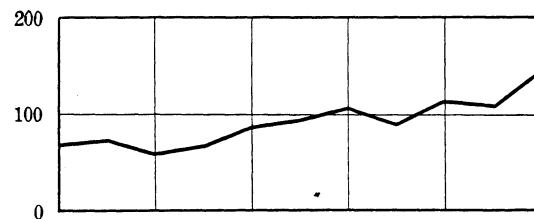
PASSENGERS
CARRIED
ONE MILE

MILLIONS



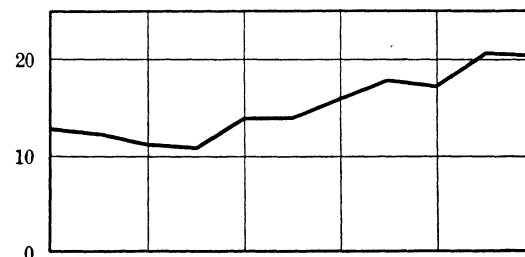
PASSENGER
DENSITY

THOUSAND
PASSENGER
MILES



PASSENGER
CARS

PER HUNDRED
MILES



GENERAL DRAFTING CO INC. N. Y.

The greater portion of the increase in capitalization has taken place in the funded debt, which provided only \$25 of each \$100 of total capitalization in 1905, as against \$47 in 1918. Paradoxically each of these conflicting practices—the low proportion of bonds in 1905 and the increase which has taken place since that time—shows the sure financial judgment of the management. It was good policy in 1905 to keep the proportion of bonds as low as possible, because the road was at the time in its infancy; its earning power had not been tested, nor was the success of the enterprise by any means assured. Under the circumstances it was advisable to keep down the proportion of funded debt, as in that event the road stood a better chance of earning its interest charges. Conditions have altered since, however. With the large returns which experience has demonstrated will accrue to newly invested capital, it is sound business judgment which dictates that within reasonable limits the new capital for the company's expansion shall be provided by bonds, in which case the profit on the investment over and above the stipulated interest return upon the bonds accrues to the company.

***Mortgage
Bonds***

From the conservatism which has always characterized the financial practices of the Cuba Railroad, it is hardly to be expected that the stock investment will ever be jeopardized by an over-issue of bonds, and the mortgages by means of which the company does its financing contain stipulations which make certain that the amount of funded debt shall always be kept within reasonable limits. The Cuba Railroad Company has two open mortgages. The First Mortgage, as its name implies, is an absolute first mortgage upon the entire

property of the company, subject, upon certain equipment, to the equipment trusts issued to purchase the same, and upon the stock of the Camagüey and Nuevitas Railroad, to the issue of notes with which the purchase of the stock was financed. The Improvement and Equipment Mortgage is subject to the lien of the First Mortgage; in other words, it is a second mortgage upon all of the company's property, with the minor exceptions noted above.

Under the First Mortgage, \$13,170,000 of 5% bonds have been issued to date, maturing on July 1, 1952, and under the Improvement and Equipment Mortgage \$4,000,000 of 5% bonds are outstanding, which mature on May 1, 1960. The issue of First Mortgage bonds is limited to an amount of \$20,000 per mile of road, and the Improvement and Equipment bonds, which are designed to provide for the increased rolling stock and terminal facilities which the growing traffic makes necessary, are limited to not more than \$12,000 per mile.

Thus the debt of the company, so far as these two mortgages are concerned, is limited to an aggregate of \$32,000 per mile under the provisions of the indentures securing the two issues. It may be said that it would be very difficult to construct any kind of a railroad in the eastern half of the Island for \$32,000 per mile; the nature of the country would not permit. The cost of the Cuba Railroad, as represented by its outstanding capitalization, but exclusive of the Camagüey and Nuevitas purchase notes, stood at \$69,589 per mile on June 30, 1918, of which only \$24,500 was represented by bonds of either of these two issues, instead of the \$32,000 to which they are limited, so that there is a heavy equity behind both the First Mortgage and the Improvement and Equipment bonds of the company.

***Interest
Charges***

After having examined the safeguards which surround the issuance of these bonds, some attention can profitably be devoted to a study of the interest charges of the Railroad Company. The company began well by earning its interest charges with a margin to spare in its first year of independent operation. In 1906 interest charges were being earned twice over, and in only one year since, which was the unfortunate year 1917, have they been earned less than twice. During the ten business years ended with 1918, the interest charges were earned on an average $2\frac{3}{4}$ times annually. Incidentally, attention is drawn to the fact that 1917 was the only one of the last five years during which they were not earned at least three times annually. In 1918 interest on the First Mortgage 5s was earned 6.6 times, indicating the exceptional character of this issue.

Dividends

Dividends upon the preferred stock were inaugurated in 1909, and once begun, have always been maintained. For the last six years this class of stock has been receiving the full 6% to which it is entitled, although it was deemed a wise policy to pay the 1918 dividend in three-year scrip in order to conserve cash. The common stock is all owned by The Cuba Company, and despite the fact that during the last nine years earnings have averaged 7.66% annually upon the outstanding amount, an essentially conservative policy has been pursued in making dividend distributions. The initial dividend upon the common stock was paid in 1913, amounting to 4%. In each of the three years following 6% was paid, and in 1916 two stock dividends of



20% and 25% respectively were also distributed. No dividends have been paid since, although in the fiscal year 1918 earnings were equivalent to 12.82% upon this class of stock. The parent company has preferred to forego dividends in order to strengthen the financial position of the road, and this policy, while benefiting the common stock, cannot but result in improving the position of the rest of the company's securities, and in enhancing its credit.

Conclusion In spite of the large development which the Cuba Railroad Company has enjoyed since it commenced to operate, it must be said that the limit of its usefulness has not yet been reached. The growth of the road keeps pace with the development of Cuba, and there still remains a large amount of fertile agricultural land in its territory which has not yet been brought under cultivation. The company enjoys a practical monopoly of transportation in the eastern half of Cuba, where its position is virtually unassailable. Its lines are steadily expanding, and the Government has always been ready to help with subsidies in the building of important branches. The company is subject to regulation under an enlightened Railroad Commission which has realized the important part that the road plays in the economic life of Cuba. Its bonds enjoy a large margin of safety over their interest requirements, and have a large equity in preferred and common stock behind them. The management, directed by The Cuba Company, is conservative, and, with the large independent investment of the latter in Cuba, its officials can be relied upon to operate the Railroad according to the highest standard.



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